

GOVERNOR'S  
2007

*Colorado Tourism Conference*

# GRAND ADVENTURE

Farms, Food & Wines  
Jim Trezise, The New York Wine  
& Grape Foundation

Sponsored by: USA 800



# WineAgriCulinary

## Tourism

### The New York Experience



# Organizations

- The New York Wine & Grape Foundation
- Wineries
- Wine Trails
- Department of Agriculture & Markets
- New York Farm Bureau
- Regional Tourism Agencies
- New York Wine & Culinary Center



# New York Strategy

- Bring the people to the wine
- Take the wine to the people



# Wine Tourism

## (Going to a winery)

- Statewide brochures
- Website
- Special events (web and emails)
- Press releases
- Winery events
- Wine trail events and brochures
- Festivals
- Highway signage

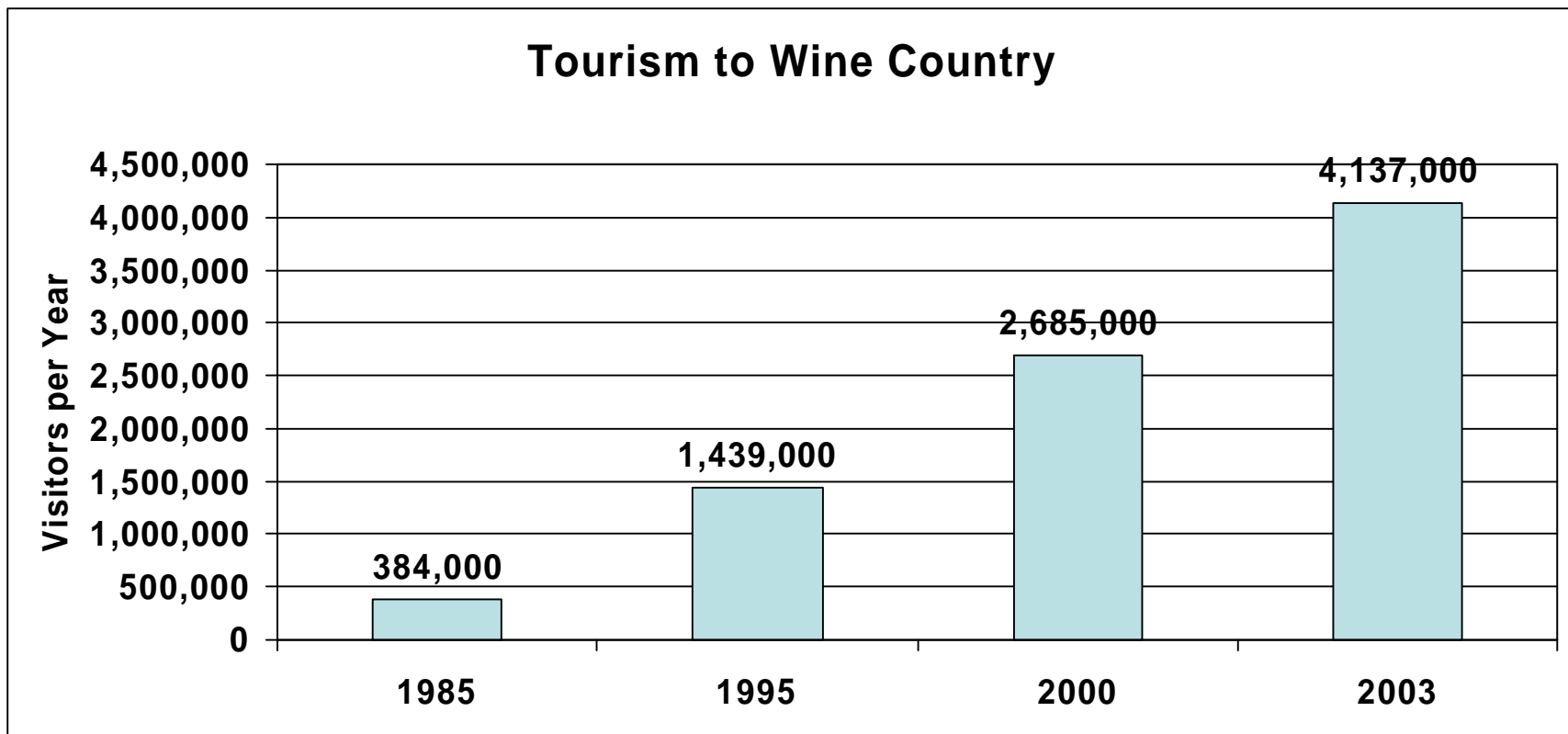


# Results

- 1985: 380,000 tourist visits
- 2003: 4,100,000 tourist visits (12-fold increase)
- \$312,000,000 in wine related tourism expenditures
- Creation of Bed & Breakfasts, bus/limo companies, etc.
- Wine: the ultimate value-added product

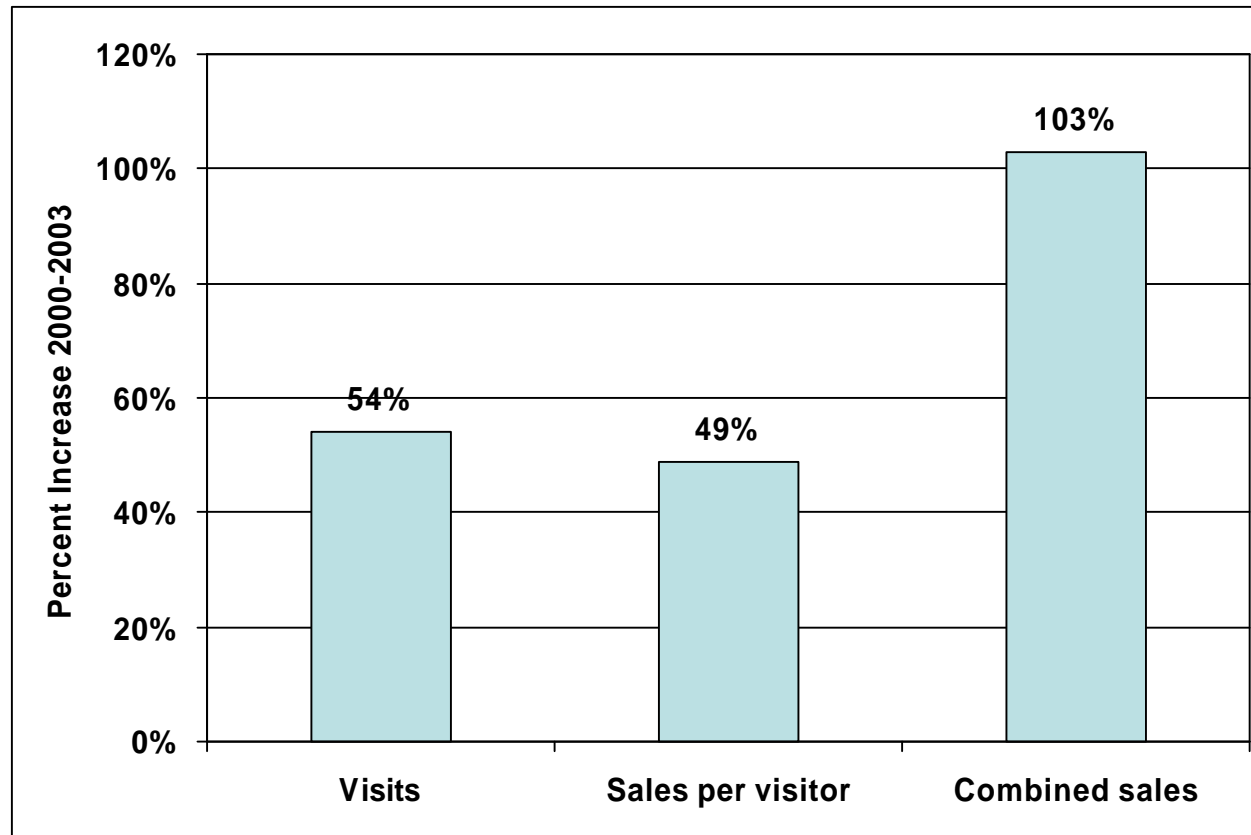
# Wine Country Tourism

The number of tourist visits to New York's wineries has increased over ten fold– to over 4 million– since 1985, bringing major benefits to local economies. The number of visits increased by 54% in three years.



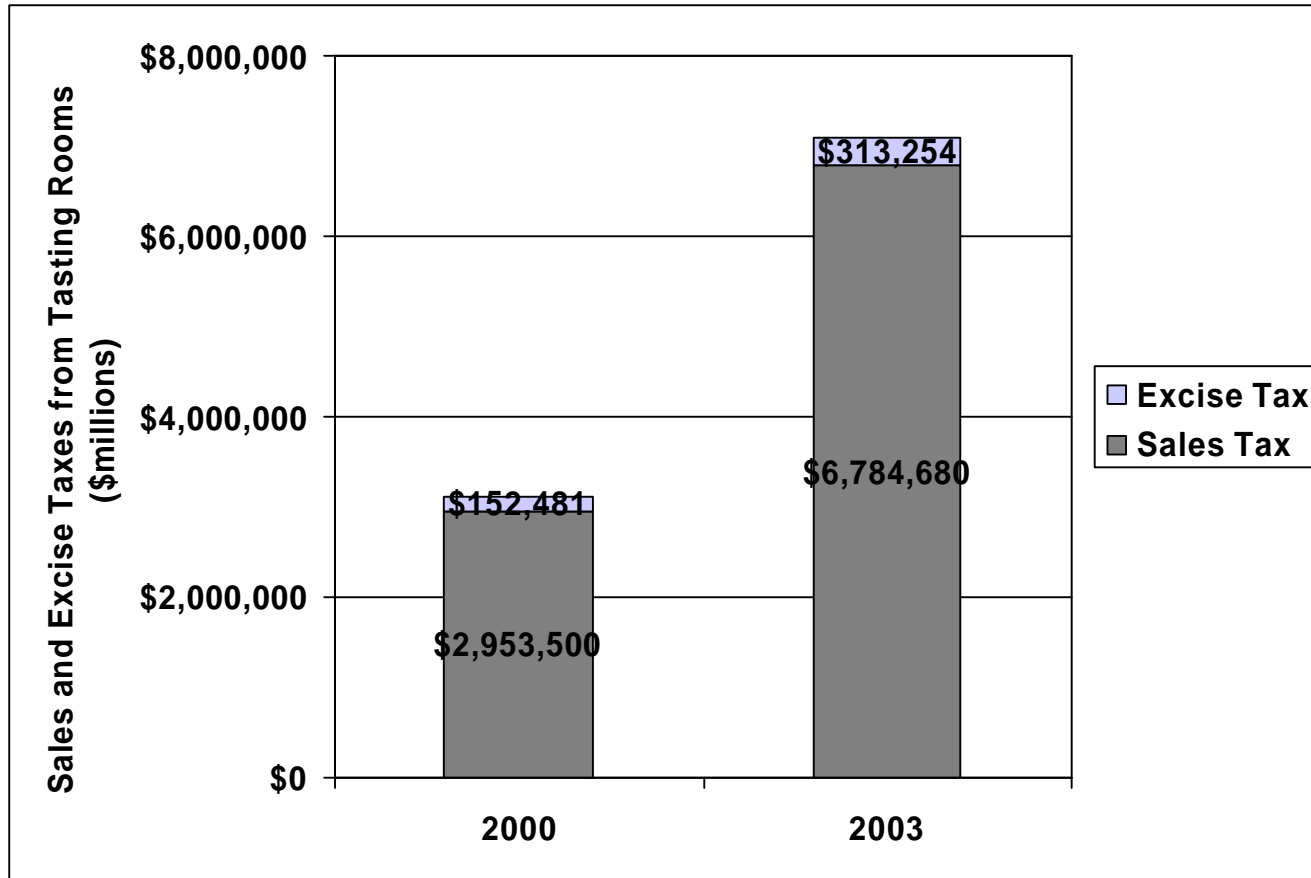
**\*Note:** Since the latest data is from 2003, it is highly likely that this figure has increased, but formal surveys have not been conducted.

Between 2000 and 2003, the number of visits increased by 54% and sales per visitor by 49% -- meaning sales at tasting rooms (and related excise and sales taxes) more than doubled.



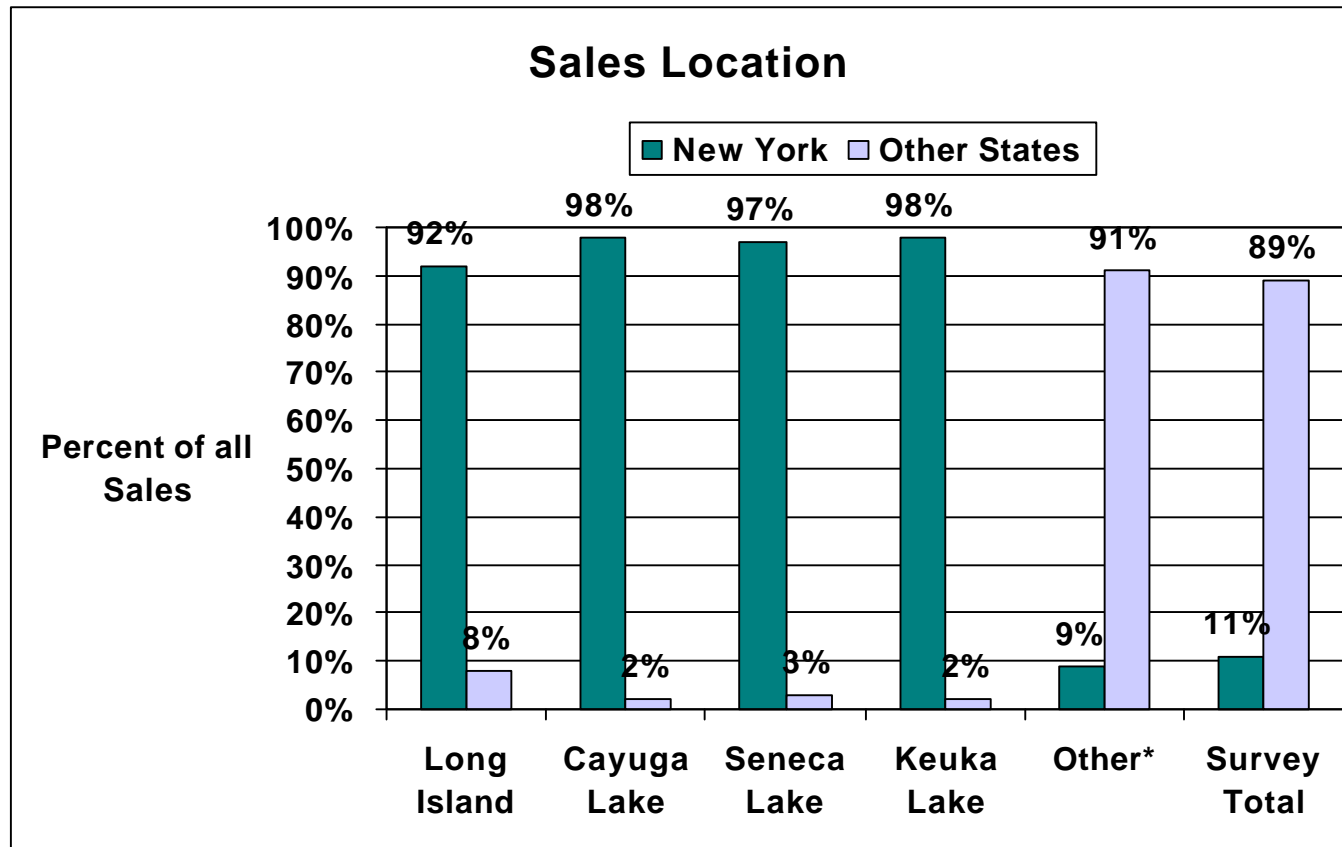


Sales taxes and excise taxes generated by direct sales at winery tasting rooms more than doubled to over \$7 million in 2003. This is a small portion of total taxes generated.



\*NOTE: Wine is the only farm product subject to excise taxes and sales taxes. Formal surveys since 2004 have not been conducted, but anecdotal evidence indicates continually increasing sales and related taxes.

The small wineries comprising “wine trails” sell most of their wines within New York State.



\*Other-reflects wineries that are not members of any wine trail; data for some wine trails not available.

# Agritourism

## (Going to a farm)

- Beer trails, maple, apple, etc.
- U-Pick farms
- Roadside farmers markets
- Pride of New York database and program
- Commodity partnerships
- Pride of New York Harvest Fest

# Culinary Tourism

## (Shopping, cooking, eating & drinking)

- New York under one roof
- Gateway, not destination
- Wine tasting and purchase
- Wine seminars
- Chefs demonstrations and cooking
- Hands-on cooking classes
- Training for students and employees
- Taste of New York lounge
- Educational exhibit (kiosk, virtual tractor)
- Gift Shop



# Results

- Projection: 76,000 visitors
- Actual: 101,938 visitors
- Everybody wants one: Long Island, Hudson Valley, Niagara

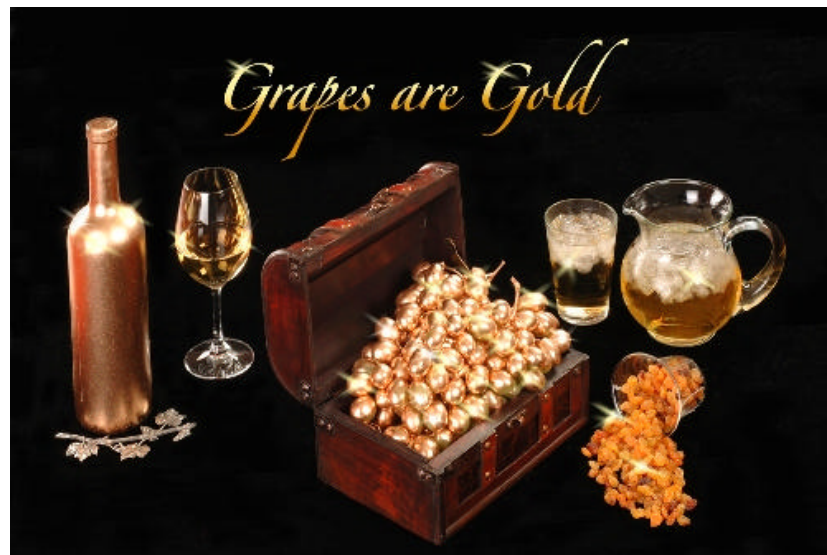




# Economic Impact

- Multiplier effect

	<u>New York</u>	<u>National</u>
• Grape value at farm gate	\$30 million	\$3.5 billion
• Wine sales	\$420 million	\$11.4 billion
• Tourism expenditures	\$312 million	\$3 billion
• Total (wine, grapes, juice)	\$6 billion	\$162 billion



## What's in a Bottle of Wine? \$6 Billion

(Total economic benefits to New York State from grapes, grape juice and wine)

### The Ingredients...

Vineyard land  
Mortgage  
Trellises (posts & wire)  
Grape Vines  
Fertilizers & Chemicals  
Tractors & Harvesters  
Farm Equipment  
Vineyard Employees  
Insurance  
Land for Winery  
Winery  
Mortgage  
Insurance  
Stemmer/Crusher & Press  
Fermentation Tanks & Barrels  
Bottling Lines & Labelers  
Bottles, Corks & Capsules  
Labels  
Cartons & Shipping Boxes  
Gift Shop Displays & Items  
Winery Employees  
Shipping of Wine  
Promotion & Publicity  
Excise Taxes  
License & Other Fees  
Employment & Related Taxes  
Property Taxes  
Sales Taxes  
Tourism  
Quality of Life  
Reveratrol, Antioxidants



### The Beneficiaries...

Business	Government*
Real Estate Brokers, Lawyers	State, County
Banks, Lawyers	County
Manufacturers, Suppliers, Shippers	State, County
Nurseries	State, County
Manufacturers, Suppliers, Shippers	State, County
Manufacturers, Suppliers, Shippers	State, County
Manufacturers, Suppliers, Shippers	State, County
Employees & Families	Federal, State, County
Insurance Companies	
Real Estate Brokers, Lawyers	State, County
Building Construction Trades	State, County
Banks, Lawyers	County
Insurance Companies	
Manufacturers, Suppliers, Shippers	State, County
Manufacturers, Suppliers, Shippers	State, County
Manufacturers, Suppliers, Shippers	State, County
Manufacturers, Suppliers, Shippers	State, County
Designer, Printer	State, County
Manufacturers, Suppliers, Shippers	State, County
Manufacturers, Suppliers, Shippers	Federal, State, County
Employees & Families	State, County
Transportation Companies	State, County
Ad Agencies, Printers, PR Firms	State, County
	Federal, State
	Federal, State
	State, Local
	State, County
Hotels, Restaurants, Gift Shops	State, County
Consumers, States, Regions	
Consumers, Health Care System	

## Wine—The Ultimate Value-Added Product (And Pleasure of Life)

\*Different types of taxes, especially sales taxes on the state and county levels.  
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## New York's Grape, Grape Juice and Wine Industry Profile

America's #3 grape and wine producer  
1384 family-owned vineyards covering 52,000 acres  
Average grape harvest 145,000 tons worth \$32,000,000  
71% for grape juice, 28% for wine, 1% for fresh fruit  
212 wineries, 191 established since 1976  
5 major regions (# of wineries): Long Island (43), Hudson River (37), Finger Lakes (93), Lake Erie (7), Niagara Escarpment (7), Others (22)  
Table, Sparkling and Dessert Wines  
200,000,000 bottles produced annually  
Over \$477,000,000 gross sales, 4,000,000 tourists  
\$371,000,000 in State and local revenues, 23,000 employees

### New York's grape, grape juice and wine products and related industries produced more than \$6 billion of economic value to New York State in 2004.

Full-time Equivalent Jobs	36 thousand
Wages Paid	\$1.3 billion
New York Winery Sales	\$420 million
Sales of Other Wines in New York	\$1.7 billion
Grape Sales	\$30 million
Grape Bearing Acres	31 thousand
Grape Juice Product Revenues	\$27 million
Wine-Related Tourism Expenditures	\$312 million
Number of Wine-Related Tourists	4.14 million
Number of Grape Farms	1,384 farms
Taxes Paid (State and Local)*	\$427 million

Of the \$6 billion total, \$3.4 billion is generated by the New York grape and wine industry, and \$2.6 billion by wine from other states and countries.

\* Underestimate as no data available on property taxes paid by wineries or vineyards other than personal property taxes.

### New York Winery Survey 2004 Highlights

- This survey, similar to previous ones from 2000 and 1998, shows wine industry growth since creation of the New York Wine & Grape Foundation in 1985. Some statistics are derived from other sources like the federal Tax and Trade Bureau and the New York State Liquor Authority.
- In the 30 years since 1975, the number of New York wineries has multiplied over 10-fold from 21 to 212, with 148 established since 1985.
- 63 new wineries were established in the first five years of the 2000 decade, equal to the number for the entire 1990s—essentially doubling the growth rate.
- Wine production has increased by over 50% since 1985 to nearly 200,000,000 bottles annually.
- The number of tourists visiting wineries has multiplied over 10-fold since 1985 from 384,000 to 4,137,000, with a significant share coming from other states.
- Between 2000 and 2003, tourist visits to wineries increased by 54% and per-visitor spending by 49%, meaning total spending (and excise and sales taxes) more than doubled.
- Excise and sales taxes from direct sales at the winery tasting rooms—a small portion of the total—increased from about \$3 million in 2000 to over \$7 million in 2003.
- The average winery invested \$500,000 between 2000 and 2003 in vineyards, wine production, tasting rooms, and other facilities, supporting other economic sectors.

Figures as of November 2005 based on data from 2003 and 2004.  
Sources include MKT Research of Napa Valley, New York Agricultural Statistics Service, and other government sources.

## OUR ROOTS RUN DEEP IN YOUR COMMUNITY

GRAPES AND GRAPE PRODUCTS GENERATE MORE THAN \$162 BILLION FOR THE AMERICAN ECONOMY. ALL 50 STATES NOW PRODUCE WINE, MOST GROW GRAPES, AND SEVERAL PRODUCE GRAPE JUICE, TABLE GRAPES OR RAISINS.

And in your own community, the impact of grapes and grape products stretches well beyond economics.

### ATTRACTIVE NEIGHBORS

- Preserve open space
- Create wildlife habitats
- Pioneer safe, sustainable farming practices
- Provide attractive, pastoral setting
- Multi-generational family businesses

### HEIGHTEN REGIONAL PRIDE

- Enhance quality of life
- Create regional identity
- Generate tourism
- Attract employers looking to relocate
- Increase property values
- Stimulate high value housing

### STRENGTHEN COMMUNITY COMMERCE

- Sustain a lively restaurant trade
- Generate hotel revenues
- Create jobs
- Increase retail sales
- Support affiliated businesses and services
- Generate sales and hotel tax revenues
- Contributions to charities

### BROADEN CULTURAL OPPORTUNITIES

- Music
- Festivals
- Culinary Arts
- Theatre
- Education
- Dance



## THE IMPACT OF WINE, GRAPES AND GRAPE PRODUCTS ON THE AMERICAN ECONOMY 2007: FAMILY BUSINESSES BUILDING VALUE

FULL ECONOMIC IMPACT OF US WINE, GRAPES AND GRAPE PRODUCTS ON THE AMERICAN ECONOMY \$162 BILLION<sup>1</sup>

	ECONOMIC IMPACT
Full-time Equivalent Jobs	1.1 million
Wages Paid	\$ 33 billion
Number of US Wineries <sup>2</sup>	4,929
Number of Grape Growers	23,856
Grape Bearing Acres	934,750
US Winery FOB Revenue	\$ 11.4 billion
Retail and Restaurant Share of Revenue from Sales of US Wine	\$ 9.8 billion
Distributor Share of Revenue from Sales of US Wine	\$ 2.7 billion
Grape Sales	\$ 3.5 billion
Retail Value of Table Grape Sales	\$ 3.0 billion
Retail Value of Raisin Sales	\$ 560 million
Retail Value of Grape Juice and Juice Product Sales	\$ 2.8 billion
Number of Wine-Related Tourist Visits	27.3 million
Estimated Wine-Related Tourism Expenditures	\$ 3 billion
Federal Taxes Paid	\$ 9.1 billion
State and Local Taxes Paid <sup>3</sup>	\$ 8 billion

<sup>1</sup>See Item of Total Spending on page 4 of the full report, which will be available online at [www.wineinstitute.com](http://www.wineinstitute.com).

<sup>2</sup>TTB Number of Bonded Wineries in US, end 2005

<sup>3</sup>Underestimate as no data available on property taxes paid by wineries or vineyards.

## HERE'S TO YOUR HEALTH!

### SPONSORED BY:





# WineAgriCulinary Tourism

## The Bottom Line

- Natural Partners
- Tremendous synergies
- Cross-promote to different audiences
- “Locavore” movement
- Ya gotta eat



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2007  
*Colorado Tourism Conference*  
**GRAND  
ADVENTURE**

Break & Exhibitor Trade Show

Sponsored by: EnCompass Magazine





GOVERNOR'S  
2007  
*Colorado Tourism Conference*  
**GRAND  
ADVENTURE**

Savor the Experience Reception  
5:30-7:30 - Doubletree Hotel

Sponsored by: Grand Junction VCB,  
Doubletree Hotel and the City of Fruita

